

**REMARKS/ARGUMENTS**

On June 17, 2004, the undersigned discussed the April 5, 2004, Office Action and status of the present application with Examiner Colbert. The Examiner's courtesy during the telephone call was much appreciated.

During the course of the telephone call, the differences between the above-shown claim 20 and the Atkins reference (U.S. Patent No. 5,852,811) were discussed. These differences are also discussed in this present amendment. This present amendment is being submitted as suggested by the Examiner so that further consideration can be given relative to the arguments and claims contained herein.

The present amendment also adds a number of new claims which depend from claim 20.

Claim 20 recites a method which requires a number of very specific steps, including the utilization of three subroutines. Among other things the method provides for using an iterative approach where after an optimal solution is found using either the first or second subroutine, a third subroutine is used which provides for accounting for minimum investment values.

The newly added claims shown above, recite further limitations regarding an embodiment of the invention as described in the specification. The specification of the present application provides detailed discussion relating to the elements recited in claim 20, and elements recited in the dependent claims (see, e.g., page 72, line 19, thru page 76). The method recited in claim 20 is very unique and designed to provide for a number of advantages over prior methods used in connection with financial analysis. For example, the optimization technique provides for analyzing both taxed and non-taxable investments, and provides an efficient iterative approach, which also accounts for the fact that many investments will have minimum investment amounts, and makes recommendations which takes into account investment minimums.

The Examiner's attention is respectfully drawn to the elements recited by claim 20, which recite specific steps of the claimed method. As shown in claim 20, three specific subroutines are utilized to perform different steps in the optimization process. For example, a first subroutine is used to resolve a flat function problem by running the routine with different sets of initial values, and a second subroutine is then utilized when

the first subroutine does not optimize with any of the sets of initial values. The second subroutine includes taking a solution for a best case from the first subroutine, re-running the optimization routine including only those investments with nonzero weights. A third subroutine is then utilized to take the optimal solution from either the first subroutine, or the second subroutine, and to then re-run the optimization, taking into account minimum investment values. This iterative approach of arriving at a recommendation can enhance the overall efficiency of the optimization while still providing a powerful analysis. Further, delaying the accounting for the minimum investment values until after less constrained initial optimal solutions are determined can reduce the computational demands for the method.

The uniqueness of the elements recited in claim 20 is highlighted when one considers much of the discussion from the US Patent No. 5,852,811 ("Atkins"). The Atkins reference was the basis for the rejection of the pending application in the outstanding Office Action (mailed 4/5/04) in this matter. The Office Action refers to a number of sections and figures of Atkins as anticipating claim 20.

It is respectfully submitted that, after a careful review of the entire Atkins reference, and particularly those parts of Atkins referred to in the Office Action, Atkins does not appear to provide any discussion that discloses or suggests the method recited in claim 20. Atkins teaches a system and method which provide for an overall evaluation of a client's financial situation, including considerations relating to home mortgages, IRAs, 401ks and insurances, and other financial assets. It is respectfully submitted that Atkins does not appear to contain any disclosure even remotely related to the method recited by claim 20. For example, the one area of Atkins which is cited in the Office Action, which is perhaps most closely related to the method recited in claim 20 (and even this discussion is very different than the elements of claim 20) recites:

FIG. 10 depicts the Priority Asset and Liability Allocation Process (PALAP). Advantageously, operations research techniques such as goal, dynamic, linear, nonlinear and integer programming functions, a goal programming function, a multiobjective programming function or a combination of the above-identified functions may be used to establish a priority for the allocation of account funds. Further, optimization or sub optimization methods, utilizing expert or decision support systems and incorporating the findings of the modern portfolio theory and the capital asset pricing model, can be utilized with these operations research techniques. PALAP generates a Priority Asset and

Liability Allocation Order (PALAO) and a Priority Investment and Borrowing Order (PIBO) for the client's account.

Atkins co. 37:50-63. The above citation from Atkins which seems to be a main area of focus in the Office Action, appears to refer to some general array of different procedures which can be used to establish a priority for the allocation of account funds. However, there is nothing to suggest that this general discussion of there being a myriad of different approaches to providing some asset allocation, would lead to the specific method which is recited in claim 20. Indeed, it is respectfully submitted that there is nothing in Atkins which suggests providing a first subroutine and a second subroutine to determine an optimal solution, and then using a third subroutine to account for investment minimums for different investments. Thus, it is respectfully submitted that claim 20 is not disclosed in or suggested by Atkins. Further it is submitted that each of the dependent claims are patentable over Atkins for at least the same reasons as claim 20.

### CONCLUSION

For the reasons set forth above, it is believed that all claims present in this application are patentably distinguished over the references, and in condition for allowance. Therefore, reconsideration is requested, and it is requested that this application be passed to allowance.

Respectfully submitted,

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Dated: July 1, 2004

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